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ANNEXATION STUDY

ABERDEEN, NORTH CAROLINA

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INTRODUCTION

In 1969, the Town of Aberdeen annexed an area just north of the then existing town limits. This area was along highway U.S. 1 toward Southern Pines. This annexation was the first recorded annexation in Aberdeen's history. The Town is now interested in the possibility of two other areas for annexation.

One area lies adjacent to and east of the existing town limits along highway U.S. 1, including the Ridgeview subdivision. The other area also lies east of the town limits just north of N.C. 211. Because of recent growth occurring since 1969 in these areas, particularly the area east of highway U.S. 1, demand for urban services has increased. It is hoped that this report will be of assistance in determining the proper course of action in regards to the areas considered for annexation.

METHODS OF ANNEXATION

There are several methods for North Carolina towns of less than 5,000 inhabitants to extend their limits: petition, special act of the North Carolina General Assembly and areas meeting statutory requirements.

Each of the three methods is available to Aberdeen and each has particular advantages which make it appropriate to use in some circumstances.

Petition

Under this method, an area can be annexed by the municipality if a petition is signed by 100 percent of all owners of real property in the area to be annexed. A public hearing is required to determine the sufficiency of the petition, after which the governing body may annex the area by ordinance. The petition method of annexation is used primarily when a developer asks the town to annex his development of which he is sole owner.

Special Act of the General Assembly

When this method is employed, a resolution is adopted by the governing body, and the local representative to the General Assembly is asked to introduce the Annexation Act into the General Assembly. If approved by the General Assembly, the Act may require certain conditions for the town to comply with before the act is effective.

Areas Meeting Statutory Requirements

This method of annexation allows a town to extend its corporate limits without petition or individual approval from the General Assembly. The General Assembly has established requirements to be met for such an annexation. One set of these requirements is directed toward insuring that the area to be annexed is urban in character. In order to insure that an area is urban in character, the statute requires 60 percent of the total number of lots and tracts must be developed for urban purposes; the remaining lots and tracts must be subdivided so that 60 percent of them are of less than five acres in size.

Other legal requirements under the Statutory Requirements are as follows:

- A. One-eighth of the boundary of the area to be annexed must be contiguous to the corporate limits.
- B. No part of the area may be within another municipality.
- C. New municipal boundaries shall follow natural topographic features wherever practical, and if a street is used as a boundary, it should include developed land on both sides of the street.
- D. Maps showing present and proposed boundaries of the municipality, and the proposed extensions of water mains and sewer outfalls to serve the annexed area.
- E. A statement showing that the area to be annexed meets the requirements of the General Statutes.
- F. A statement setting forth the plans for extending other municipal services into the area and the method the municipality will use to finance these services.

STUDY AREAS

The following discussion briefly describes each study area.

Study Area I

Study area I (Figure 1) lies east of highway U.S. 1 and includes the Ridgeview Subdivision and is 119.5 acres in size. Most of the land is residential in character with the exception of the area along highway U.S. 1 which is generally commercial property.

Most of Aberdeen's recent residential growth has taken place in this area along with the continuing commercial growth along U.S. 1. There are a total of 80 dwellings in this area.

Area I meets the following standards, as prescribed by G.S. 160-453.4:



PROPOSED
ANNEXATION AREA I



ABERDEEN
NORTH CAROLINA



FIGURE 1

ANNEXATION STUDY

FOR

ABERDEEN

AREA I

G. S. 160-453.4 (b) 2 and (c)

PERCENT OF AREA BOUNDARY CONTIGUOUS WITH CORPORATE LIMITS				PERCENT OF AREA DEVELOPED FOR URBAN PURPOSES			
Perimeter Length (Feet)	Amount of Boundary (Feet)	Percent Contiguous	Is Requirement Met?	Total Number of Lots and Tracts	Developed Lots and Tracts	Percent of Developed Lots and Tracts	Is Requirement Met?
18,350	12,600	68.6	YES	187	73	39.0	NO

PERCENT OF ACREAGE
SUBDIVIDED INTO LOTS AND
TRACTS FIVE ACRES OR LESS
IN SIZE*

ARE ALL
REQUIREMENTS OF
G.S. 160-453.4 MET

PERCENT OF ACREAGE SUBDIVIDED INTO LOTS AND TRACTS FIVE ACRES OR LESS IN SIZE*				PERCENT OF RESIDENTIAL AND UNDEVELOPED ACREAGE SUBDIVIDED INTO LOTS AND TRACTS FIVE ACRES OR LESS IN SIZE			
TOTAL ACREAGE	Residential and Undeveloped Acreage Subdivided Into Lots and Tracts Five Acres or Less in Size	Percent of Residential and Undeveloped Acreage Subdivided Into Lots and Tracts Five Acres or Less in Size	Is Requirement Met?	Residential and Undeveloped Acreage Subdivided Into Lots and Tracts Five Acres or Less in Size	Percent of Residential and Undeveloped Acreage Subdivided Into Lots and Tracts Five Acres or Less in Size	Is Requirement Met?	ARE ALL REQUIREMENTS OF G.S. 160-453.4 MET
119.5	83.0	69.4	YES			NO	

*Not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional.

Study Area II

This study area (Figure 2) is located southeast of Aberdeen between N.C. 211 and Bethesda Avenue, and extending east to include the Old Pee Dee Road. This area is predominantly residential in character, with most of the homes in standard condition. There are a total of 30 dwellings in this area.

Area II meets the following standards as prescribed by G.S. 160-453.4. (see pg. 7)

TOWN POLICIES AND SERVICES

The General Statutes (G.S. 160-453.3) requires that the town provide for extending police protection, fire protection, garbage collection and street maintenance services to the area to be annexed on the date of annexation on substantially the same basis and in the same manner as such services are provided with the rest of the municipality prior to annexation. If water and sewer is not available, contracts must be let and construction begun within one year following the effective date of annexation.

Police Protection

Presently the Aberdeen Police Department is comprised of six officers including the Chief and three patrol cars; it is anticipated that one more officer should be hired if both areas are annexed.

Fire Protection

It has been town policy for many years to answer all fire calls from inside or outside the town. The present fire equipment consists of three trucks with one pumper truck on order. It is not anticipated that additional equipment be bought or men be hired to handle the two proposed annexation areas.

Garbage Collection

Aberdeen provides garbage service to residents of the incorporated area only at no cost to the residents. Present collection equipment consists of two packer trucks. If both areas are annexed, an additional three employees will be needed to handle the increased collection service. No additional trucks would be required.

Street Maintenance

At the present time, Aberdeen has no set policy on sharing the cost of street extensions with property owners. Very few extensions to streets have been made in recent years. The town does, however, maintain all streets in the town not



This study was conducted in the laboratory and field. The results of the laboratory study are presented in Table 1. The results of the field study are presented in Table 2.

Area 1: 10-11

Area 2: 10-11

Area 3: 10-11

Area 4: 10-11

Area 5: 10-11

Area 6: 10-11

Area 7: 10-11

Area 8: 10-11

Area 9: 10-11

Area 10: 10-11

Area 11: 10-11

Area 12: 10-11

Area 13: 10-11

Area 14: 10-11

Area 15: 10-11

Area 16: 10-11

Area 17: 10-11

PROPOSED
ANNEXATION AREA II



ABERDEEN
NORTH CAROLINA

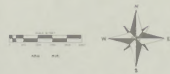


FIGURE 2

ANNEXATION STUDY

FOR

ABERDEEN

AREA II

G. S. 160-453.4 (b) 2 and (c)

PERCENT OF AREA BOUNDARY CONTIGUOUS WITH CORPORATE LIMITS			PERCENT OF AREA DEVELOPED FOR URBAN PURPOSES				
Perimeter Length (Feet)	Amount of Contiguous Boundary (Feet)	Percent Contiguous	Is Requirement Met?	Total Number of Lots and Tracts	Number of Developed Lots and Tracts	Percent of Developed Lots and Tracts	Is Requirement Met?
6,050	1,450	23.9	YES	98	34	34.6	NO

-7-

PERCENT OF ACREAGE SUBDIVIDED INTO LOTS AND TRACTS FIVE ACRES OR LESS IN SIZE*				ARE ALL REQUIREMENTS OF G.S. 160-453.4 MET	
TOTAL ACRES	Residential and Undeveloped Acreage Subdivided Into Lots and Tracts Five Acres or Less in Size	Percent of Residential and Undeveloped Acreage Subdivided Into Lots and Tracts Five Acres or Less in Size	Is Requirement Met?	YES	NO
51.1	41.6	81.4%			

*Not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional.

maintained by the North Carolina Department of Transportation.

Street Lights

Street lighting is provided in Aberdeen by Carolina Power and Light Company. Lights generally are provided at major intersections and at closer intervals on exceptionally long blocks.

Water and Sewer

It is town policy that the cost of water and sewer extensions for persons residing within the corporate limits of Aberdeen be paid for by the property owners requesting the extension. The town pays the first fifty feet and the property owners pay any amount beyond fifty feet.

Water lines in town cover almost all developed areas. Sewer lines are available to all property which can be served by the present gravity flow system. This system does not extend into some sections of town including the two proposed annexation areas. If both areas are annexed, contracts for water and sewer service must be let within one year of the annexation.

REVENUE AND COST COMPUTATIONS

The revenues anticipated and the costs for the extension of services to the areas to be annexed are of primary concern for the Town of Aberdeen. (See tables 2 and 3, pages 12 & 15) Ideally, for the project to be economically feasible the revenues and costs should be about equal over the first five years.

Computations for both revenues and costs are only estimates based on the information that is available.

Revenues

Estimates of the revenues which Aberdeen can expect if the proposed areas are annexed were obtained from the Town Clerk and other local officials, from the Town's annual audit reports, and from the Moore County Tax Supervisor's office.

Real Property Tax

The taxable value of all property in the areas proposed for annexation was obtained from the tax supervisor's office. This total was multiplied by \$1.00, the tax rate for the 1974-75 fiscal year, to arrive at the anticipated real property revenues.

Personal Property Tax

The personal property tax for residential property was estimated at 15 percent of the assessed value of the real property.

Powell Bill Funds

The increased population and street mileage due to annexation will be subject to increased Powell Bill Funds. In the 1973-74 fiscal year, Aberdeen received \$23,950 on 11.28 miles of streets. This represents \$689.00 per mile. They also received \$9.66 per capita during this same period.

Intangible Taxes

The state collects an intangible tax on such property as cash, stocks, and bonds and returns 90 to 95 percent of these funds to the counties on the basis of population. The funds in turn are distributed among the county government and its municipal governments according to the latest levy of ad valorem taxes. The ad valorem tax levy for 1973-74 is anticipated to be \$141,818, with the town's share of intangible tax approximately \$18,585. This represents about \$.13 of intangible tax for each dollar of ad valorem tax.

Franchise Taxes and Privilege License Taxes

Due to the relatively small amount of revenues expected from these two sources, they have been considered together. Franchise taxes are collected by the State from privately owned utility companies and are shared with the municipality according to the collections of the utility companies operating within the town's corporate limits. Privilege license taxes are collected by the town from private businesses for the privilege of operating within the municipality.

The total revenue derived by Aberdeen from these two sources is approximately \$16,000 per year. It is estimated that the town might expect to collect an additional \$400 from these two sources if both areas are annexed.

Water and Sewer Revenues

Water and Sewer rents are generally set at levels that allow these utilities to be self-supporting. The town will charge all new water and sewer customers the rates in effect at the time they receive the service. The town water rates are listed in Table 1. The charge for sewer service is 75 percent of the water bill.

Table 1

- ABERDEEN IN-TOWN WATER RATES

3,000 Gallons	\$3.00 Minimum Charge
7,000 Gallons	@\$.75 per 1,000 gallons
10,000 Gallons	@ .65 per 1,000 gallons
20,000 Gallons	@ .55 per 1,000 gallons
60,000 Gallons	@ .50 per 1,000 gallons
100,000 Gallons	@ .40 per 1,000 gallons
200,000 Gallons	@ .30 per 1,000 gallons

EXPENDITURES

Providing municipal services to any proposed annexation area is generally a costly project; Aberdeen is no exception. An attempt will be made to give cost estimates for those services to be made available within the annexed areas if and when annexation takes place.

Garbage Collection and Street Maintenance

To maintain a high level of service, the town will probably have to hire three more full-time garbage collection men and street maintenance crew. With this addition, both proposed annexed areas should be adequately served.

Street Lights

The town contracts with Carolina Power and Light Company for its street lights. The cost is \$4.65 per light per month in residential areas. It is estimated that fifteen lights will be needed in Area I and five lights in Area II.

Police Protection

Presently Aberdeen employs six policemen. If both areas are annexed, it is advised that at least one new patrolman be hired.

Fire Protection

At the present time, the Aberdeen Volunteer Fire Department serves the town and about three miles in every direction from the corporate limits. Therefore, it is not expected that an increase in fire protection will be needed.

WATER AND SEWER EXTENSIONS

The town's consulting engineer has been primarily responsible for preparing the cost estimates of extending both water and sewer into the annexed areas. The cost of extending these utilities into the two areas is considered separate from the annual expenditures and revenues. This was done because these costs cannot logically be considered an annual expense. They are capital costs in the sense that water and sewer facilities will not be realized in one year and neither should all the costs be charged to a single year.

Water Extensions

As with sewer service, the town's consulting engineers were consulted in order to determine the cost and feasibility of extending water into the two areas. Their report indicated the town's share for water extension into the two areas will be approximately \$123,000.

Sewer Extensions

Again, the consulting engineers were called upon to arrive at the feasibility and cost for sewer extension into the two areas. Most of the sewer lines were so located as to take advantage of the gravity flow principle. Thus, most of the proposed annexation areas boundaries conform to the availability or feasibility of sewer lines using this principle. It is estimated that the town's share for sewer construction will be \$211,000 of which \$70,000 will be appropriated and \$141,000 will come from revenue sharing funds.

FEASIBILITY OF ANNEXATION

Certainly based upon the annual cost, revenue comparison for the two areas it would be economically feasible to annex either area. Water and sewer extension into these areas, remains the only substantial cost to be incurred by the town should they annex. Based upon the consulting engineer's report water and sewer extension into these areas would cost the town in excess of \$300,000. However, over a fifteen to twenty year period, the water and sewer charges and the additional ad valorem taxes should help defray this cost.

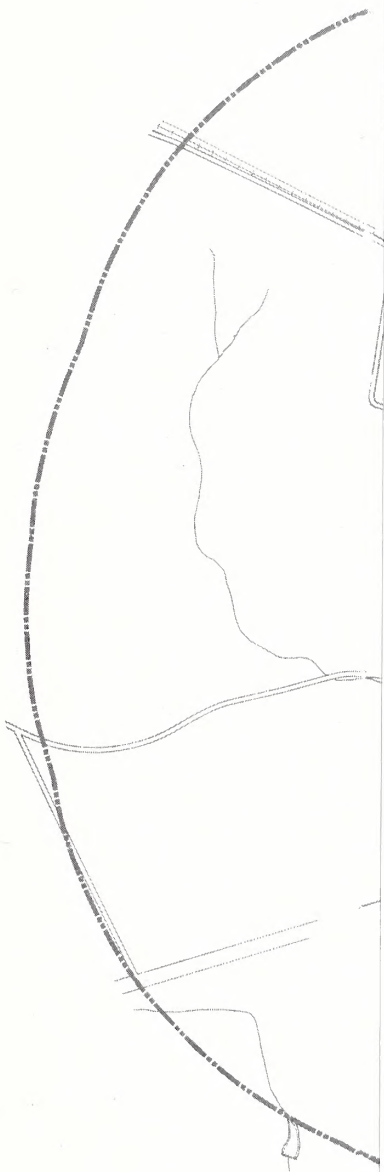
Table 2

AREA I - ESTIMATED ANNUAL REVENUES

	<u>Revenue</u>
Real Property Tax	\$ 8,239
Personal Property Tax	1,235
Powell Bill Funds	3,798
Intangible Taxes	1,071
Franchise and Privilege License Taxes	250
Water and Sewer Service	<u>5,075</u>
TOTAL	\$19,968

AREA I - ESTIMATED ANNUAL EXPENDITURES

	<u>Costs</u>
Garbage Collection and Street Maintenance	\$ 4,000
Street Lights	837
Police Protection	3,027
Fire Protection	<u>No Increase</u>
TOTAL	\$10,892



PROPOSED
WATER SYSTEM
AREA I



ABERDEEN
NORTH CAROLINA



FIGURE 3



PROPOSED
SEWER SYSTEM
AREA I



ABERDEEN
NORTH CAROLINA



FIGURE 4

Table 3

AREA II - ESTIMATED ANNUAL REVENUES

	<u>Revenue</u>
Real Property Tax	\$1,877
Personal Property Tax	331
Powell Bill Funds	1,329
Intangible Taxes	244
Franchise and Privilege License Taxes	150
Water and Sewer Service	<u>825</u>
TOTAL	\$4,756

AREA II - ESTIMATED ANNUAL EXPENDITURES

	<u>Costs</u>
Garbage Collection and Street Maintenance	\$ 700
Street Lights	279
Police Protection	3,027
Fire Protection	<u>No Increase</u>
TOTAL	\$4,006



PROPOSED
SEWER SYSTEM
AREA II



ABERDEEN
NORTH CAROLINA



FIGURE 5



PROPOSED
SEWER SYSTEM
AREA II



ABERDEEN
NORTH CAROLINA



FIGURE 6

The legal requirements for annexation present a difficult problem also. Very little of the proposed annexation areas could meet the statutory requirements for annexation at this time. This leaves three alternatives if the town wishes to annex the areas now: (1) redefine the annexation boundaries so as to include a higher percentage of developed land, (2) the town could limit itself to annexing only areas where requests are received from property owners or (3) attempt to have the 1975 General Assembly annex the desired areas by special act. If the town desires to accomplish much annexation at this time, action by the General Assembly appears to offer the most hope.

CONCLUSION

Many of the good or bad points concerning why Aberdeen should or should not annex these two areas have not been discussed in this report. However, one of the good reasons for annexation would be that these areas are rapidly growing, especially Area I. With this, however, comes an increasing need for more municipal services thus more costs for the town in question. The areas already consider themselves a part of the town in many ways; they are geographically, socially, and economically very much a part of the town today, thus Aberdeen is the town most logical to provide the needed governmental services.

APPENDIX

ENVIRONMENTAL CONSIDERATIONS

1. Abstract

This study is prepared to assist the Town of Aberdeen in determining if two developed areas adjacent to the town can meet the statutory requirements of the state law and if it would be economically feasible to annex these two areas.

2. Environmental Effects

Beneficial Effects:

- a. Septic tanks and individual wells would be eliminated.
- b. Municipal solid waste collection and disposal will eliminate the burning of trash and thus lessen air pollution.

Adverse Effects:

The provision of water and sewer to the new areas will spur further growth and development of more land, thus reducing natural vegetation and increasing storm water run-off and the volume of solid waste.

3. Alternatives

No annexation would cause continued harm to the environment through measures previously mentioned.

4. The Relationship Between Short Term Uses of the Environment and Maintenance of Long Term Productivity

Some of the land considered for annexation is already developed. If annexed, the town can exercise more control over the undeveloped land by encouraging orderly growth and development.

5. Irreversible and Irretrievable Commitment of Resources

If annexation is completed, large capital outlays will be required to provide water and sewer lines; more personnel to provide garbage collection, street maintenance and police protection will be needed.

6. Applicable Federal, State and Local Controls

Federal: National Environmental Policy Act of 1969
Land and Water Conservation Fund Act, 1964
Environmental Quality Act of 1970

State: Water Use Act of 1967
Annexation Law - Chapter 160, Article 36
North Carolina Environmental Policy Act of 1971

Local: County Health Department Regulations on Water and Sewer

7. Mitigation Measures

The beneficial effects of annexation of these two areas far outweigh the negative effects on the environment. The provision of water and sewer will tend to spur development, but the municipal services will prevent pollution of individual wells.

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